

## **Small Business Advisory Council Meeting**

### **DRAFT Minutes**

December 10, 2014

**Call to order:** Co-Chair Aubry Stone called the meeting to order at 1:00 p.m.

**Attendance:** The meeting was attended by the following SBC members: Aubry Stone, Stephen Simpson, Leonard Ortiz, Marty Keller, and Patricia Castillo Linn.

The following SBC members attended via webinar: Aja Aranga Foster (for Alice Perez), Janelle Watson (for Janelle Green), Debra Roak, Jennifer Goode, Mark Bosse, Paul Guerrero, Justin Adams, Don Stoneham, Douglas Eldridge, Evelyn Graham, Lee Cunningham, Sandy Cajas, Valerie Miles, Julian Canete, Phil Vermuelen, James Brady and Lori Kammerer.

The following SBC members were absent: Jerry Bircher, Stacey Heater Divine, Scott Hauge, and Cecilia McCloy.

The following DGS representatives were in attendance: Alternate Chair Angel Carrera, Tonia Burgess, Tasha Nomura-Stewart, Danetta Jackson, Tanya Little (webinar), Brittany Heth-Tran (webinar), Eric Mandell (webinar), and Chuck Deyoe (webinar).

Special guests included: Lindy Harrington (Dept. of Health Care Services via webinar) and Roger Anderson (Fi\$Cal via webinar)

Public Guest who attended in person: Maxie Juzang, president of Healthcare Staffing Professionals, Inc.; Maria Cordero; Ryan Young; Rose Elena Saucedo, of the National LBWA; Cecilia Mota; and Gilbert Buchanan, of Buchanan & Associates.

### **Welcome and Introductions**

Co-Chair Aubry Stone thanked everyone who was able to come to the meeting in person and personally thanked Ken Ashford, of the Metropolitan Water District and host of the meeting, for handling all of the days logistics.

### **Approval of September 3, 2014 Meeting Minutes**

Alternate Chair Angel Carrera asked for a motion to approve the September 2014 meeting minutes. Co-Chair Aubry Stone made the motion. Council member Leonard Ortiz second. Motion carried.

Alternate Chair Angel Carrera stated there was an action item from the previous meeting regarding setting up a meeting with other department SB/DVBE Council groups

(e.g. CalVet, Caltrans, California High-Speed Rail Authority). Council Chair Jim Butler would have a response regarding the action item at the March meeting.

### **Consolidated Annual Report**

Alternate Chair Angel Carrera presented information regarding the FY 2013-14 Consolidated Annual Report (CAR), which discussed the state's SB/DVBE participation numbers for the fiscal year. Mr. Carrera did report, unofficially, the state did meet their SB/DVBE goals for the 2013-14 fiscal year.

Council Co-Chair Aubry Stone wanted to recognize the DGS for doing an excellent job. Council member Steven Simpson stated he provided Mr. Carrera with public record documents and information regarding mandatory contracts for his review.

### **SARA 2015 Update**

Danetta Jackson, manager of the Communication & Outreach Section for the Procurement Division at DGS, provided an update regarding the upcoming State Agency Recognition Award (SARA) ceremony taking place on January 22, 2015 at the Citrus Heights Community Center in Citrus Heights, CA from 9:00 am – 11:00 am.

She explained that a survey went out to all the state's Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) advocates and stakeholders in February 2014 asking if they preferred to have the SARA ceremony held in November or January due to inadequate time to submit contracting numbers and nominations. Based on the response of that survey, the event was scheduled for January 2015. To date, a total of 55 nominations were received for this year's ceremony.

The SARA Invitation could be found at:

<http://www.documents.dgs.ca.gov/pd/events/SARAInvitation2015.pdf>

Ms. Jackson thanked the judges who took the time to review all the nominations. For more information regarding the 2015 SARA, go to:

<http://www.dgs.ca.gov/pd/Home/SARA2015.aspx>

### **Fi\$Cal Update**

Roger Anderson, Resource Manager for the Financial System for the State of California (Fi\$Cal) provided an updated regarding the project. A copy of their presentation could be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/Fiscalpresentation121014.pdf>

Mr. Anderson stated if anyone on the council had any questions regarding the project, to email: [fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov).

Council Co-Chair Aubry Stone asked what the biggest difference was between Fi\$Cal and Bidsync. Mr. Anderson stated vendors could now look up information as to who

was awarded a contract and online bidding. Council member Doug Eldridge asked if Waves 2 and 4 would happen simultaneously and whether the State Contract and Procurement Registration System (SCPRS) information would be available. Mr. Anderson stated the two waves would not take place simultaneously and explained Wave 4 and deferred agencies would have to register their transactions manually until their wave is implemented.

Council member Patricia Linn asked if there was a requirement to list subcontractors. Mr. Anderson stated no. Council member Leonard Ortiz explained there was no daily list of upcoming projects and asked if such a list would be generated. Mr. Anderson stated that Fi\$Cal would need such information from the agencies well in advance in order to post to the new system.

### **Legislative Update**

DGS staff, Chuck Deyoe provided a legislative update. To view the list of current bills discussed, go to:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/LegislativeUpdate121410.pdf>

Council Co-Chair Aubry Stone asked if Mr. Deyoe knew who was being put in Subcommittee Chair seats. Mr. Deyoe stated he was not sure at the time but would provide that information to the Council once members were determined. Council member Mary Keller stated he heard there was some shuffling of subcommittee chairs and members and wondered if Mr. Deyoe had heard of any appointments. Again, Mr. Deyoe stated he had not heard anything but as soon as he got the information he would pass it on.

Council member Leonard Ortiz asked if there was anything out regarding a threshold on prevailing wage. Mr. Deyoe stated nothing as of right now, however it is a top priority for one assembly member from Pasadena, in which it was highly successful for janitorial services. Ken Ashford commented that he sees it as a big hit to small businesses.

Mr. Deyoe closed by stating if any member's had any questions, comment and/or concerns to forward them to: [Charles.deyoe@dgs.ca.gov](mailto:Charles.deyoe@dgs.ca.gov).

### **PD Contract Update**

DGS staff Eric Mandell discussed the current PD Upcoming Solicitations which could be found at: [www.documents.dgs.ca.gov/pd/events/PDUpcomingSolicitations.pdf](http://www.documents.dgs.ca.gov/pd/events/PDUpcomingSolicitations.pdf).

Alternate Chair Angel Carrera asked Mr. Mandell about the process of creating an upcoming solicitation list, as it related to Council member Leonard Ortiz's question about the look ahead report for Fi\$Cal. Mr. Mandell explained his section starts by looking at their solicitations one year in advance, based on when DGS's current contracts were going to expire and need to be replaced. They then look at their top 10

frequently purchased items. Mr. Mandell expressed that it was pretty routine process to complete.

### **Department of Health Care Services Update**

Lindy Harrington, Deputy Director at the Department of Health Care Services (DHCS), provided a presentation about the purpose of their department and the products and services they purchase. The presentation could be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/DHCSPresentation121014.pdf>

Maxie Juzang, member of the public, asked for Ms. Harrington's contact information so that his business could help them with subcontracting for medical services. She stated she could be contacted at: [Lindy.Harrington@dhcs.ca.gov](mailto:Lindy.Harrington@dhcs.ca.gov) or 916.440.7525. Ken Ashford asked about the complexity of their contracts, to which Ms. Harrington stated there were both technical and programmatic complexities, such as: making sure the beneficiaries matched with the contracted health companies; staffing changes within the office; laws that come down that needed to be addressed, and multiple procedural codes.

Tanya Little, of the DGS asked about subcontracting for next year and whether DHCS had found any new subcontractors as of now. Ms. Harrington stated they had not but were looking at current prime contractors to see what subcontractors they were currently using.

Council member Marty Keller had a question regarding DHCS' Delta Dental contract and asked whether the listed dentists were all small businesses. More specifically, he questioned why the department was not looking into getting those dentists certified with the state. Ms. Harrington stated she would have her team look into it. She also explained that their Xerox contract was not paid through the contractor; payments were generated from their department. Therefore, certifying the contractor would not work for the Xerox contract.

Council member Don Stoneham stated their larger contracts should be broken up into smaller parts for small businesses, to which Ms. Harrington stated their department does do that. Alternate Chair Angel Carrera asked if DHCS' contracts were competitively bid through the secondary bid process and whether any part of those contracts were not competitively bid. She stated all of larger contracts were competitively bid with subcontracting opportunities. Mr. Carrera suggested a letter be sent to their prime contractors encouraging subcontracting with SB/DVBES. Ms. Harrington stated they had done that in the past but would look into it again when their contracts are rebid. Council member Doug Eldridge stated he would like to meet with DHCS.

## **2015 Meeting Dates**

Alternate Chair Angel Carrera discussed the proposed dates listed on the meeting's agenda. Ken Ashford asked if the June 2015 meeting could be scheduled closer to the Council member Betty Toccoli's Small Business Day event.

Alternate Chair Carrera stated the issue would be discussed at the March 2015 meeting.

## **Review of Action Items**

The following items would be addressed at the next SBC meeting in March 3, 2015:

- Council Chair Jim Butler to provide status of pending scheduled meeting with various SB/DVBE Councils
- Schedule an ad hoc meeting regarding Consolidated Annual Report and state departments who are failing to meet the SB/DVBE participation goals
- DGS to report on status of agency visits and ask Council for feedback and future recommendations
- Fi\$Cal to provide additional update regarding upcoming solicitations
- DGS Chuck Deyoe to provide a list of who is assigned as subcommittee chairs
- Discuss moving the June meeting to the 16<sup>th</sup> due to June 15 Small Business Day
- DGS to review documentation provided by Maxie Juzang to look into owners creating multiple companies to limit competition

## **Public Comment**

Maxi Juzang stated his business provided health care services to the state, such as CDCR and the Department of Veterans Affairs. He noticed with some State Hospital bids, which were awarded to multiple vendors based on lowest bid, had the same owner who set up multiple companies, which limit competition. He asked DGS to review documentation.

Co-Chair Aubry Stone adjourned the meeting at 2:45 p.m.